

THE SONE AND FLEMING MANUFACTURING COMPANY,
LIMITED.

MAY 7, 1884.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. W. W. BROWN, from the Committee on Claims, submitted the following

REPORT:

[To accompany bill H. R. 4183.]

The Committee on Claims, to whom was referred the bill (H. R. 4183) for the relief of the Sone and Fleming Manufacturing Company, limited, of New York City, submit the following report :

That the Senate committee's report is adopted, and the passage of the bill recommended.

[Senate Report No. 45, Forty-eighth Congress, first session.]

The Committee on Claims, to whom was referred the bill (S. 410) for the relief of the Sone and Fleming Manufacturing Company, limited, of the city of New York, having duly considered the same, make the following report :

The claim upon which this bill is based was considered by the Committee on Claims of the Senate at the Forty-seventh Congress, first session, and said committee, on February 18, 1882, made a full and clear report in favor of the allowance of the claim in the following words :

[Senate Report No. 177, Forty-seventh Congress, first session.]

Mr. TELLER, from the Committee on Claims, submitted the following report, to accompany bill S. 31 :

The Committee on Claims, to whom was referred the bill (S. 31) for the relief of the "Sone and Fleming Manufacturing Company, limited," of the city of New York, having duly considered the same, make the following report :

That the Sone and Fleming Manufacturing Company were refiners and exporters of petroleum during the years 1876-'77, carrying on their business at the city of New York, and it appears from the evidence that it was their habit to pack the oil for exportation in cans manufactured from imported tin. At the time of the exportation, under the provisions of section 3019 United States Revised Statutes, they were entitled to the drawback duties on said imported tin ; but in order to obtain this drawback it was necessary to enter the tin for drawback.

The Sone and Fleming Company had at that time in their employ a clerk whose duty it was to file these drawback notices in the New York custom-house and to pay the small fee required for its entry. It appears from the evidence that the clerk so employed had long attended to his duties faithfully, ingratiating himself into the confidence of the company. During a term of about three months the clerk drew the notices, had them verified by the treasurer of the company, and obtained the several amounts from the cashier of the company necessary to pay these small fees, then left

the office for the express purpose of filing the notices of drawback and to pay the fees of the same, but he never filed the notices and he embezzled the fees.

The collector, in a letter to the Secretary of the Treasury, says, "the exporters called at this office, as customary, to sign the bonds," but inasmuch as their clerk had never filed the entry papers and never paid the fees, no bond had been given. Immediately upon the discovery of these facts the company applied to the collector for relief, and the matter was referred to the Secretary of the Treasury. The Secretary held that his power in the premises was limited by section 3037 of the United States Revised Statutes to such cases as have been "entered" for drawback and some subsequent formality has been omitted, while in this case the clerk did not file the notices of entry, and that there was no law which empowered the Secretary of the Treasury to authorize the payment of the drawback money. The original landing certificates signed by the United States consul or vice-consul at the several ports of landing, are in evidence, covering the fourteen lots of tin cans, also the original entry certificates drawn by the company. The amount of the drawback duties which under the Revised Statutes the company was entitled to is \$5,265.73.

Congress has considered it appropriate to give relief in similar cases in several instances. (See p. 467, chap. 231, 1st sess., 44th Cong., app. July 25, 1876; p. 437, chap. 124, 1st sess., 44th Cong., app. June 12, 1876; p. 529, chap. 112, 2d sess., 45th Cong., app. May 25, 1878.)

The bill provides for the payment of money by the Government to the claimants which fairly belongs to them. The evidence is clear that the Government is to-day in possession of the money by a mere technicality of the law. The high standing of this company is mentioned in the letter of the collector of the port at that time—Mr. Arthur—to the Secretary of the Treasury, on file with the papers, and it seems hard that they should lose so large an amount on account of the embezzlement of a few dollars of their own money by a long-trusted clerk.

Your committee are of the opinion that the money of the company at present withheld from them on account of their failure to file drawback notices justly belongs to them, and therefore recommend the passage of the bill with the following amendment: Strike out, in line 7, the words "in gold coin of the United States," and, in lines 7 and 8, strike out the words "in currency."

Your committee fully concur in the statements and conclusions of the above-quoted report, and do therefore recommend that the claim be allowed, and the passage of the bill (S. 410) without amendment.